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In The

Supreme Court of the United States

October Term 1931.

No. 332.

KRENTLER-ARNOLD HINGE LAST COMPANY,
Petitioner for Rehearing,

v.

J. HOWARD LEMAN, Administrator C. T. A. of the Estate of George E. Belcher, and GEORGE E. BELCHER COMPANY,
Respondents.

On Writ of Certiorari to the United States Circuit Court of Appeals For the First Circuit.

PETITION FOR REHEARING.

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The respondent respectfully petitions the court to reconsider and grant a rehearing on the present opinion of this court dated February 15, 1932, with respect to the amount of the fine imposed upon the respondent by this court and the District Court.

In this petition the respondent will continue the respective designations of the parties as they have heretofore been used in the prior decisions and proceedings.

The respondent fully realizes the careful consideration given by this court as a court of last resort to the causes submitted to it for decision, but the simplicity of this case, respondent believes, has been obscured in the effort required to disentangle the technical questions arising from the application of the equitable principles of actions for account to patent infringement cases and the extension of those principles to a proceeding to punish for contempt of court and the liability to overlook this simplicity is not diminished by the tendency to confuse infringement with contempt of court, to confuse recovery with punishment, to confuse the patentee's *prima facie* rights derived from a patent with his proved rights derived from a decree and an injunction, and lastly to confuse jurisdiction to entertain an action for and award a remedy for patent infringement with jurisdiction to enforce a decree of the court.

The grounds relied upon for this petition for rehearing are as follows:

1. Did this court consider, in affirming the decree of the District Court, that the following portion of the decree is not in conformity with the statute under which the power of the court is invoked nor in conformity with the sole ground on which the jurisdiction of the court has been affirmed?

> "That the petitioners have remedial relief on the civil aspect of these contempt proceedings to an award of the profits made by the Krentler-Arnold Hinge Last Company by reasons of the acts found to be a violation of the injunction" (Rec. p. 283).

"That the petitioners, George E. Belcher Company and J. Howard Leman, Administrator C. T. A. of the Estate of George E. Belcher, deceased, recover from the Krentler-Arnold Hinge Last Company for infringement of said Letters Patent, the sum of $39,576.25 as profits made by respondent from the sale of the said sliding link, and the sum of six thousand one hundred and two dollars and seventy-two cents ($6102.72) as counsel fees for services rendered from October, 1928, to and including April, 1930, on behalf of the petitioners in the prosecution of these contempt proceedings and the sum of three hundred and eighty-nine dollars and fifteen cents ($389.15) for expenses, said sums amounting to forty-six thousand and sixty-eight dollars and thirteen cents ($46,068.13), together with interest on said sum of forty-six thousand and sixty-eight dollars and thirteen cents ($46,068.13) from June 4, 1929, the date of entry of this order at the rate of six per cent per annum amounting to three thousand, two hundred twenty-four dollars and seventy-six cents ($3224.76) in all the sum of forty-nine thousand two hundred and ninety-two dollars and eighty-nine cents ($49,292.89)."

After the first clause of the decree finding the respondent guilty of contempt the balance of the decree as above quoted, should be stricken out and reformed by the insertion of the following decree:

"That the respondent be and it is hereby fined the sum of forty-nine thousand two hundred ninety-two dollars and eighty-nine cents ($49,292.89) as punishment for the said contempt of court."

The present decree disposes of the case partly as a contempt and partly as a patent infringement. The portion of the decree expressing the court's judgment on the respondent's conduct and the reason for the exercise of its power is based on contempt, while the portion of the

decree exercising the court's power is not based on contempt. It is not a fine punishing for contempt but is an award renderable only in a patent infringement action after a full hearing on issues properly pleaded and proved including the examination and cross-examination of witnesses, and a full consideration given by the court to the complaint and the defense and the evidence.

The only power of the court called into action by this proceeding or that can be exercised by the court is defined by the statute, *R. S. 725, 28 U. S. C. A. 385:*

> "The courts shall have power * * * to punish, by fine or imprisonment, at the discretion of the court, contempts of their authority. Such power shall not be construed to extend to any cases excepting * * * the disobedience * * * by any party * * * to any * * * decree * * * of the said courts."

The respondent is brought into court to answer a complaint of disobedience and if sustained to be punished. Whatever yardstick or standard the court may employ in computing the amount of the fine, or whatever disposition is made of the fine after it is imposed and paid, does not alter the nature of the only order that the court can make in this proceeding. Regardless of what elements enter into the composition of the fine and regardless of who gets the fine after it is paid into court it still is punishment. The court may have the power to transcend the mandate of the statute, but is that what it has intended to do?

If the court did intend to authorize the District Court to convert this nominally punishment proceeding into an action for the recovery of compensation for patent infringement, did it overlook the jurisdiction of the District Court of Massachusetts to entertain an infringe-

ment action against the respondent, a Michigan corporation having no place of business in the state of Massachusetts?

It is true that the court affirmed the jurisdiction of the District Court of Massachusetts, but that jurisdiction was assumed and sustained expressly on the ground that this contempt proceeding is solely for the purpose of enforcing an existing decree and injunction of that court.

The District of Massachusetts is, certainly, not the venue for a patent infringement action against this respondent, and, according to the statute, Judicial Code, Sec. 48, the District Court of Michigan is the only court, without the consent of the respondent, that has jurisdiction over the respondent in a patent infringement action.

The respondent refused the request of the District Court of Massachusetts to convert this contempt proceeding into an infringement action and to consent to that court's jurisdiction of such converted action (Rec. p. 250).

The request of Judge Lowell at the hearing is contained in the following:

> "The Court: I will give you your choice, Mr. Cushman. You may either have this thing tried out on a supplementary bill **and not take any exception to the jurisdiction**, or you may let me decide it now.
>
> Mr. Cushman: Do you want your answer now, your honor?
>
> The Court: Well, before I decide it. I would rather decide it in a case which allowed expert testimony. But I have already saved your exception to the fact that I have no jurisdiction in contempt. You will take that up. That is all right. But I do not care to have another one taken up on the

question of whether I have jurisdiction on the supplementary bill. So this is the sporting proposition I make to you. If Mr. Spear files a supplementary bill we will thresh it out with expert evidence and I will decide one way or the other. I might possibly decide your way. That is for you to consider. **Only, that my proposition is that you take no exception to my jurisdiction on that supplementary bill.** You have already got your exception to my jurisdiction now. IF YOU DON'T DO THAT I AM GOING TO DECIDE AGAINST YOU ON THIS. THERE IS THE SPORTING PROPOSITION" (Rec. p. 250).

At a later hearing counsel for respondent elected to proceed on the present contempt proceedings (Rec. p. 251).

Judge Bingham from the bench during the argument on the rehearing on the question of profits, expressed himself clearly to the effect, that the court did not assume jurisdiction over the respondent for the purpose of trying an infringement action but only for the purpose of enforcing the injunction.

The decree in its present form is the result of confusing patent infringement with contempt of court. An award of a recovery in a patent infringement action is predicated upon a trial on a complaint and a defense thereto and the evidence in support thereof orally adduced and subjected to cross-examination. In contempt of court proceeding, however, the imposition of the fine is predicated upon a finding of contempt from affidavits and the decree in the former suit as conclusive evidence of the rights of the petitioner and of the respondent, the decree being used against the respondent to exclude all evidence on the infringement issue. That conclusion is justified by the statement of the Court of Appeals as follows:

"**As the decree in the original suit, as between**

> **these parties, conclusively established the validity and scope of the Peterson claims, nothing remained for the District Court to determine** but the question whether the new device (the sliding link) of the Krentler-Arnold Company read upon and infringed any of the claims of the Peterson patent'' (Rec. pp. 295, 296).

It is a simple task for a court to determine contempt by excluding the defense to the charge of infringement and it is hard enough on the respondent to be found guilty of contempt and punished therefor without having the fine measured by the amount of the recovery that could otherwise only be obtained after a full trial on issues properly pleaded and proved and fully considered by the court. Neither the District Court nor the Court of Appeals considered the defense and decided it against the respondent. **They excluded it.** Neither did the District Court nor the Court of Appeals investigate to find out whether the issue involved in this proceeding was the same issue as the one decided in the first suit which is just what a contempt proceeding of this kind requires. **They assumed it.**

An infringement action may involve any issue of infringement that may be raised on the patent and the defenses thereto but a contempt proceeding on a patent infringement injunction can involve only the question whether the same infringement decided in the first case is being continued and by "the same infringement" is meant not the same mechanical structure that was originally before the court but the same legal question of infringement regardless of the mechanical form it is in. Every true contempt of court in a patent injunction case must, of course, be an infringement, but it by no means follows that every infringement of a patent subsequent to a decree is contempt of court. The issue is not con-

tempt unless it consists of the same question of scope and validity that was previously decided.

Judge Anderson did investigate to see whether there was a new issue of infringement involved in this proceeding and he concluded that there was and in no uncertain language expressed his opinion that:

> **"It seems plain to me that this is in effect a new infringement suit,"**

that is, a suit on a new infringement question, against a new structure which he describes,

> **"at least in appearance, is very different from the Peterson concept"** (Rec. p. 306).

The result is that jurisdiction is invoked for the special purpose of punishing for contempt of court and assumed for that purpose, and the court then proceeds to exercise that jurisdiction for a different purpose which if sought in an action expressly brought for that purpose, it would have had no jurisdiction to entertain.

The decree therefore is not in conformity with the statute under which the power of the court is invoked nor in conformity with the jurisdiction of the court and the sole ground on which that jurisdiction has been affirmed.

The gap between imposing punishment and awarding a recovery for patent infringement has been bridged, no doubt, by the term appearing in the *Gompers v. Buck Stove* decision and in other decisions and variously expressed as "remedial fine," or "remedial relief," but does the term in view of the circumstances in which it is used in decisions on contempt of court warrant a complete disregard of the statutory mandate to punish by fine for contempt of court?

The term is of general significance in law and includes within it a number of widely variant concepts. May it not be true that the conflict between the statutory power to punish and this decree awarding recovery is due to "the confusion that arises when a single term of broad and ill-defined content is made to do duty without discrimination for two or more ideas"?

Confusing the use of the term "remedial" as applied to proceedings for the assurance or enforcement of the injunctive remedy with "remedial" as applied to the recovery of property or compensation for its value on causes of action arising subsequent to the granting of the injunction is a possible error and, if persisted in, may have a profound effect on the development of the law applicable to the granting and enforcement of injunctions.

The distinction between the injunction remedy and the successive recoveries for continuing trespass for which the injunction is employed by equity as a substitute is otherwise lost and the enforcement thereof becomes nothing more than a substitute to recover compensation in a summary manner on affidavit evidence for the continuing trespass and the recovery is enforceable by committal or by sequestration instead of by execution in the ordinary manner after trial on pleadings and evidence. Is it not a tacit acknowledgment that the injunction is of no effect when the court has to resort to converting the enforcement proceeding into one for recovery?

"Remedial," correctly interpreted applies to the enforcement of the injunction and the fine that punishes for past disobedience and deters future disobedience is remedial in every sense of the word if it makes the injunction effective; however, the amount of the fine is measured, and whoever gets the fine after it is paid.

If the correct application of the term "remedial" is to the punishment imposed to secure the enforcement of the injunction, does it then afford a sufficient basis on which to assume jurisdiction of an infringement action for the recovery of revenue in circumstances wherein the court has no jurisdiction to entertain such an action?

2. If the court did overlook that the power of the District Court is confined to punishment, does it intend without a reargument on the nature and degree of the offense to impose a fine of the magnitude that results, as in the present instance, from using the profits as a measure of punishment?

Particularly does it intend to punish the respondent to the extent of a $50,000.00 fine, when the Court of Appeals having had the advantage of a complete argument and briefing of the entire case including the exact nature and degree of the offense decided that the punishment should not exceed the amount of the expenses?

Recovery of property or of compensation for the value of property taken is not punishment. Restoration of the property or of its value does not absolve the guilty one from punishment and neither does punishment discharge the liability to restore the property unlawfully taken or its value. The distinction between the two is an essential characteristic of our system of law enforcement and it should be as clearly defined in patent cases as in other fields of wrongs. Confusion between recovery and punishment obscures one of the outstanding characteristics of each. Punishment is computed and imposed according to the nature and degree of and in proportion to the offense. Intent, malice, are important factors to be taken into consideration in fixing the punishment, while in recovery they have no effect on the amount to be recovered. The sole determination in the case of recovery is what was taken.

Whatever influenced the Court of Appeals to confine the punishment to the expenses, it might have been any one or more of a number of considerations **derived from the facts of the entire case.** Independently of the right of the District Court to use the profits of the respondent

as a measure of a fine the Circuit Court of Appeals might have been influenced by the language of the decree to the conclusion that the District Court had no jurisdiction to render an infringement decree against this respondent. Independently of the right of the District Court to use the profits of the respondent as a measure of a fine the Court of Appeals might have been influenced by the facts of the case to the conclusion that the nature and degree of the offense did not justify any such punishment and possibly contributing to this conclusion are the following:

The respondent was made to pay as part of the judgment in the original suit $18,000.00 for the petitioner's counsel fees in that suit (Rec. pp. 39, 40)—although such counsel fees are clearly *damnum absque injuria;*

On stipulated facts showing no direct competition between the petitioner and respondent and no resulting injury to the petitioner;

A discussion and analysis of the attorney's opinion and the possible conviction that if the Court of Appeals had not felt bound by the decree it would agree with him in the conclusion that the new device was not within the scope to which the petitioner is confined by the state of the art;

The manifest precautions taken by the respondent to make sure that the new device was not within the scope of the injunction.

All these factors were thoroughly reviewed by the Court of Appeals with the result that they confined the punishment to the expense of the proceeding and criticized also some of the expenses that the master and the District Court had allowed (Rec. p. 305). If the power of the District Court is confined to punishment how can

it be said that the Court of Appeals erred in reducing the punishment unless a review of the same facts that were before the Court of Appeals is had?

Is it not probable that the Court of Appeals disposition of the fine reflects the influence on the members of the court of having to deny the respondent its chance to contest the infringement issue?

Another thing for the court to consider is the effect subsequent to the argument before the Court of Appeals of the dissenting opinion of Judge Anderson which creates a condition arising from the disagreement among the judges on the question of contempt that brings this case squarely within the principle stated by this court in *California v. Molitor, 113 U. S. 609, 618, 28 L. Ed. 1106, 1109*, in which the court expressly declared:

> "If the judges disagree there can be no judgment of contempt; and the defendant must be discharged."

How otherwise than from this court can the respondent obtain the benefit of a disagreement between the judges of the Court of Appeals and how can this court punish respondent by a $50,000.00 fine, if according to that decision it should be discharged?

It is true that the Court of Appeals quoting from the decision of this court, "deemed it to be clear that the respondent's new device answered in every respect the claims of the petitioner's patent and that 'the question of infringement is not doubtful or merely colorable, but certain,'" but this does not detract from Judge Anderson's disagreement with the other members of the Court of Appeals, for, as has been pointed out before, the District Court and the Court of Appeals excluded the respondent's evidence on the question of infringement and

decided that the decree and the injunction conclusively established the rights of the parties without investigating whether there was a new issue of infringement involved. They did not decide any infringement issue. They assumed that it had already been decided for them in the original suit. The disagreement between the judges of the Court of Appeals was on how the contempt should be determined. The majority members of the Court of Appeals assumed that there was no question of infringement for them to decide while Judge Anderson compared the issue in the original suit with the present issue and decided it was plain to him that there was a new question of infringement and that it should be disposed of in a new action brought for that purpose. If the majority members of the Court of Appeals had not believed that they were precluded from investigating the question of infringement by the decree in the original suit, it is probable that on the evidence before the court they would have agreed with Judge Anderson that the present proceeding was in effect and plainly a new infringement suit.

If the same defense as is relied on in the present proceeding was a relevant and competent defense in the original suit, clearly the Court of Appeals was right, but if the defense was neither a relevant nor a competent defense in the original suit, the action of the District Court and of the Court of Appeals constitutes a denial of due process and the respondent has been convicted without the opportunity of a trial on this defense.

The respondent does not attempt to disguise the fact that at this stage of the proceeding in this court, it will be by the grace of the court only that it can be heard on this question, but the departure in this instance by the Court of Appeals and the District Court "from the

accepted and usual course of judicial proceedings" is so great and yet so subtle and apt to go undetected that the respondent asks the court to bear with it in a brief presentation of the circumstances.

The same finding could not happen in litigation on any other subject matter than a patent and it requires no argument on any issue of fact, for it is apparent on the face of the record.

Patent claims are definitions differing from each other, it is true, but only in breadth and scope of application according to the generality of the language used. They are related to each other generically and inclusively and are not distinct and unrelated parcels of property each of which is exclusive of the other as parcels of land in a conveyance, clauses in a contract, designated articles of property, real or personal, which latter may be additively grouped together in a complaint and as to which there is required by the court a separate and independent investigation to determine the plaintiff's right to the relief asked.

The new structure in this proceeding is not within the express terms of the injunction, for the latter prohibits the use of "the invention covered by the claims 1, 2, 3, 4, 6 and 7," while the new structure is not responsive to the claims 1 and 3 and accordingly it is not responsive to the express terms of the injunction.

With reference to the statement that the variance between the injunction and the petition is apparent on the face of the record it should be qualified to this extent. Except for a discrepancy between the petition and the affidavit in support thereof, the departure would be ap-

parent on the record. The petition includes claims 1 and 3 in its allegation of infringement against the new structure, but this, no doubt, is a typographical error, for the affidavit proving infringement in support of the petition (Rec. p. 43), sworn to by Louis C. Smith, a patent attorney, states that, in the opinion of the deponent, the new structure infringes the broad claims 2, 4, 6 and 7 (Rec. pp. 50, 51, 52). There is no reference to or any opinion on infringement by claims 1 and 3. The petition should be read without the reference to claims 1 and 3 in order to conform to the supporting affidavit.

The claims 1 and 3 are narrow or specific and they both read on the structure enjoined and neither of them read on the new structure charged with contempt and are therefore the same for the purpose of this discussion and will be referred to hereinafter as the specific or narrow claims, while the claims 2, 4, 6 and 7 are broad or generic and each of them read on both the structure enjoined and the new structure charged with contempt and are therefore the same for the purpose of this discussion and will be referred to hereinafter as the generic or broad claims.

The specific claim will cover all structures responsive to the species defined therein and will not cover any other species not so responsive but the generic will cover all the structures of the species defined by the specific claim and one or more other species that the specific claim will not cover.

The new structure in this proceeding is not the same species as that of the specific claim and it is one of those other species covered only by the generic claim. On a subsequent infringement complaint on the generic claim, the only relevant and competent defense is to show evidence of other species in the prior art to prove that the

generic claim cannot be extended beyond the species of the specific claim or to show that the generic is not in fact truly generic. The first suit did not and could not establish the true generic nature of the claim because it was against the same species as that of the specific claim.

The injunction must be construed to prohibit only such structures that are responsive to the claims 1, 2, 3, 4, 6 and 7 jointly as a group not because the term "the invention" in the decree and the injunction is used in the singular nor because the conjunctive "and" is used although the presence of both in the decree and in the injunction confirms the contention, but because the only defense of invalidity and scope available to the respondent in the original suit had to be that which was relevant to all the claims 1, 2, 3, 4, 6 and 7, the claims in suit, and that must be a structure that is responsive to specific claims 1 and 3, and because the presence of the claims 1 and 3 in the decree and the injunction on its face shows that there was no decision on the validity and scope the claims 2, 4, 6 and 7 as generic claims and of the right to hold more than the one species of the patent.

The discrepancy between the terms of the injunction in the original suit and the proof of infringement in this proceeding is notice to the court on the face of the proceeding that the issue that was tried and decided in the former suit is not the same as the issue raised by the present charge of infringement and that the true generic nature in fact of the claims 2, 4, 6 and 7 has never been determined and that the new structure is of a species not before the court in the first action and for the first time in this litigation requires a determination of the petitioner's right to assert a generic attribute to these claims.

The following statement from Judge Lowell's opinion in the original action, confirms the assertion that the generic nature of these claims was not decided nor contemplated by the court:

> "While I am not prepared to say that it covered any arrangement of a link and a spring, it is my opinion that it does cover the construction used by the Krentler Company" (Rec. p. 22). The construction referred to is the originally enjoined device.

The respondent believes that in defense to this charge of contempt of court it need only show that the issue involved in the present proceeding is not the issue that was decided in the original suit. Before the District Court and the Court of Appeals, however, it went further than that and sought to show, on this new issue if it were tried in an infringement suit, that it had a *bona fide* defense on the merits, and it was this showing which the Court of Appeals mistakingly interpreted as an attempt to try anew the validity and scope of the Peterson patent. There is a structure in the prior art that is another species responsive to the claims 2, 4, 6 and 7 but not responsive to the claims 1 and 3 and there is evidence now relevant and competent as a defense but which was not a defense to the original suit.

The Court of Appeals in deciding the question of contempt by excluding all evidence on the generic nature of the claims and by assuming that there was nothing for it or the District Court to do but read the claims of the patent on the new structure plainly has denied the respondent the right to a trial and its action is a denial of the respondent's right to due process.

3. With reference to the statement at page 7 of the court's decision:

> "Accordingly it has been repeatedly assumed that, in a proceeding for civil contempt for disobedience to an injunction granted in an infringement suit, the profits derived from the violation of the injunction are recoverable. *Worden v. Searls, 121 U. S. 14, 25; Matter of Christensen Engineering Company, 194 U. S. 458, 460; Gordon v. Turco-Halvah Company, 247 Fed. 487, 490, 492; McKee Glass Company v. H. C. Fry Glass Company, 248 Fed. 125, 127.*"

Does the court desire, in view of the following, to continue the above statement?

In *Worden v. Searls, 121 U. S. 14, 25.* The court set aside the fines imposed by the District Court which included as a measure of the fine the profits of the defendant with the following direction:

> "The case is remanded to that court, with a direction to dismiss the bill, with costs, **but without prejudice to the power and right of the circuit court to punish the contempt referred to in those orders, by a proper proceeding.**"

In *Matter of Christensen Engineering Company, 194 U. S. 458, 460,* the court was dealing with a petition for a writ of mandamus to compel the Circuit Court of Appeals for the Second Circuit to reinstate and take jurisdiction of a writ of error which the Court of Appeals had dismissed on the ground that the decree in the contempt proceeding was not reviewable on a writ of error. The decision in this case was not concerned in any way with the use of profits as a measure for the fine.

In the *Christensen case* the mandamus was granted and the report of the decision of the Circuit Court of Appeals

for the Second Circuit on the review pursuant to the mandamus of this court contains the following statement:

> "We think that when it is imposed by way of indemnity to the aggrieved party **it should not exceed its actual loss incurred by the violation** of the injunction, including the expenses of the proceedings necessitated in presenting the offense for the judgment of the court. We are also of the opinion that when the fine is not limited to the taxable costs it should not exceed in amount the loss and expenses established by the evidence before the court." *135 Fed. 774.*

In *Gordon v. Turco-Halvah Company, 247 Fed. 487, 490, 492,* the Circuit Court of Appeals for the Second Circuit affirmed the decree of the District Court, which fined the respondent in that case,

> "The expenses, damages, and **loss of profits that the plaintiffs had been put to.**" SEE 233 Fed. 430, 43

There is a clear distinction between the plaintiffs' loss of profits and the profits made by the defendant. Loss of profits depends upon a showing that the plaintiff would have received the business if the defendant had not violated the injunction.

It can hardly be said that in any of the three cases the court assumed that the respondent's profits derived from the violation of the injunction are recoverable.

The contrary view has been not only assumed but expressly decided in the following:

Cheatham Electric Company v. Transit Development Company, decided by the Court of Appeals for the Second Circuit in 1919, after the decision in the *Gordon v. Turco-Halvah Company case,* and the members of the Court of Appeals concurring in his decision now being referred to

consisted of Judge Hough who rendered the decree of the District Court in the *Gordon v. Turco case,* and Judge Ward, who participated in the decision on appeal affirming the District Court's decree in the *Gordon v. Turco case.*

> "Contempt is not to be regarded as a source of revenue or additional damages to a complainant. A civil contempt, such as this may result in reimbursing complainant, **not for infringements,** as to which he may seek damages and profits before a master, but for losses and expenses to which he is subjected by the offender's contumacious conduct."

Monroe Body Company v. Herzog, 13 Fed. (2nd) 705, was decided in 1926, by the Circuit Court of Appeals for the Sixth Circuit, and in the report of the decision written by Judge Denison, the court says:

> "A private penalty of this kind is imposed **not to compensate for assessable damages and profits,** but refer to those items of damages which are not thus assessable."

Counsel fees and expenses is obviously an item not thus assessable.

The contrary view was assumed in the following instances, every one of which were for violation of an injunction against patent infringement:

Macauley v. White Sewing Machine Company et al., 9 Fed. 698:

> "The company must pay a fine of $250.00 **which will go to the plaintiff towards his expenses and counsel fees about this motion.**"

Bath Refrigerating Company v. Gillette, 30 Fed. 683:

> "The defendants must therefore be held in con-

tempt, but, as they have disclaimed all intention to violate the injunction, and have so far, purged themselves of a wanton and wilful disobedience, the court will impose a nominal fine of $10.00 on each of them; and it is further ordered that they pay the costs of this motion and a reasonable counsel fee."

Norton et al. v. Eagle Automatic Can Company, 59 Fed. 137:

"The defendant is therefore adjudged guilty of contempt and is fined the sum of $5.00 **and ordered to pay plaintiffs the costs of this proceeding, including reasonable counsel fees."**

Stahl v. Ertel et al., 62 Fed. 920:

"I am therefore of the opinion that George Ertel is guilty of contempt and should be required to pay the cost and expense of this proceeding. Such costs and expense should include a reasonable attorney's fee, which is properly taxable in contempt proceedings."

Cary Mfg. Company v. Acme Flexible Clasp Company, C. C. A. 2nd, May 14, 1901, 180 Fed. 873:

"The power of the circuit court to direct the payment of a part or all of the fine **to the complainant in an application for contempt, as a compensation for his time and outlay in prosecuting the application,** has been often recognized in the circuit courts, especially in this circuit; and in practice is a power which ought to be exercised when the expenses and trouble to which the complainant has been subjected justify its exercise."

Paxton et al. v. Brinton et al, 126 Fed. 542:

"The defendants have been guilty of contempt by continuing a sale **which they had adequate rea-**

son to know was in violation of the decree of this court, and should pay a fine of $50.00 and the cost of this application and of the affidavits, within thirty days from the date of the order, and, if not paid on or before the expiration of said time, the defendants stand committed until the same be paid, and that, when paid, the sum be paid over to the plaintiffs in reimbursement."

Diamond Drill & Machine Company v. Kelley Bros. & Spielman, 132 Fed. 978:

"A decree may be prepared adjudging Hans Hamilton guilty of contempt in disobeying the injunction order entered in this cause and imposing a fine of $100.00 with the costs of this proceeding."

Robinson v. S. & B. Lederer Company et al., 146 Fed. 993:

"If the injury to the complainant in whose favor the injunction was granted gives a remedial character to the contempt proceeding **and as the punishment is to secure to the complainant the right which the court has awarded him** *(see Bessette v. W. B. Conkey Company, 194 U. S. 324, 328, 329; 24 Sup. Ct. 665; 48 Law Ed. 997; Robinson on Patents, Sec. 1219)*, I am of the opinion that, while the penalty should be such as would induce greater carefulness in the future, **it should be measured by the amount of damage which the complainant has sustained through the defendant corporation's disobedience, together with the costs and legal expenses** incurred by the complainant upon this application."

Victor Talking Machine Company et al. v. Leeds & Catlin Company, 150 Fed. 147:

"Nor is the advice of counsel a sufficient excuse, although, where it has honestly been relied upon, **a heavy penalty will not usually be imposed, but**

only a sum sufficient to reimburse the moving party and act as a deterrent from future infringing actions. Defendant is found in contempt and fine imposed of $1000.00, one-half to the United States and one-half to complainant."

Rushmore v. Motor Car Equipment Company, 170 Fed. 189:

"It follows therefore that the defendant must be adjudged in contempt. It is ordered to pay a fine of $300.00, $250.00 of which shall be **paid to the complainant for expenses incurred** in the prosecution of this motion and the remainder to the United States."

Queen & Company v. Green, 170 Fed. 611:

"And it is also directed that the fine be paid over to the complainant **for his time and outlay** in prosecuting this application."

Campbell v. Magnet Light Company, 175 Fed. 117:

"Each of them is fined $1000 to be paid within five days, one-half to be paid to the United States and one-half **to the complainant to reimburse him for the expenses of this suit."**

Gillette Safety Razor Company v. Wolf, 180 Fed. 776:

"Under all the circumstances, the defendant expressing regret for the occurrences and promising in the future not to deal in or have anything to do with any of the articles manufactured by complainant, **a nominal fine only, $25.00 will be imposed,** since defendant is obligated to pay the master's fee and stenographer's bill. The fine will go to the complainant."

New Jersey Patent Company v. Martin, 186 Fed. 513, 517:

"The defendant therefore can rightly be punished only for his violation of the preliminary injunction, which punishment may include the reasonable costs and expenses of the prosecution for such violation."

"He will be fined in the sum of $350.00 because of his violation of the preliminary injunction, and the costs of taking the testimony before the Examiner which was begun February 5, 1910, including the statutory fees and mileage of witnesses examined in such hearing and the legal fees of the Examiner and stenographer for taking such testimony and other taxable costs that pertain alone to the contempt proceedings."

Proudfit Looseleaf Company v. Kalamazoo Looseleaf Binder Company, 230 Fed. 120, 132 C. C. A. 6, 1925:

"The order in the instant case provided that one-half the fines imposed be **paid to complainant as reimbursement for its damages, costs and expenses** in the contempt proceedings including damages on account of the sale of the infringing binders in violation of the orders of the court."

Frank F. Smith Metal Window Hardware Company v. Yates, C. C. A. 2nd, 1917, 244 Fed. 793, 794, 795:

"I shall not, however, hold the defendant as for a criminal contempt but shall limit the order to be made against him as was done in the case of *Proudfit Looseleaf Company v. Kalamazoo Looseleaf Binder Company, 230 Fed. 132, 134, 134 C. C. A.* 418, **'to a reimbursement of complainant's damages, costs and expenses including any damages** on account of sales of the infringing sales.'"

Wire Rope Appliance Company v. Eureka Tool Company of Kansas, 256 Fed. 677, 679:

"It is therefore ordered the defendant and

Charles A. Towne, its president, shall **pay into court for the purpose of first defraying the costs of this contempt matter and a reasonable portion of the money expended by the plaintiff in this contempt proceeding,** the sum of $2000.00 for which execution shall issue against the defendant company as in civil actions at law."

Union Tool Company v. United States et al., C. C. A. 9, 1920, 262 Fed. 431, 434:

"But insofar as the decree imposed a fine and directed that the sum imposed should be paid to the complainant to cover his costs, the decree must be sustained."

A. B. Dick v. Fuller, 6 Fed. (2nd) 393, 398, 399:

"As the defendant has very deliberately violated the injunction, he should be adjudged in contempt, and ordered to pay within 30 days to the complainant, as a fine, a sufficient sum to make good its damages arising out of the unlawful sales of stencil paper, as well as its expenses **in enforcing the disregarded order of the court."**

"A counsel fee of $500, and the sum of $25, as estimated damages caused by the sale by defendant of 1600 sheets of stencil paper, will be the amount of the fine."

Norstrom v. Wahl, C. C. A. 7, 1930, 41 Fed. (2nd) 910, 914:

"Under the state of the record we believe the court was entitled to impose a penalty for the civil contempt only, **measured by the reasonable loss and damage which accrued** to appellee by reason of the contemptuous acts of the appellant. One element of such damages would be appellee's costs and attorney's fees, matter such as courts are often

called to pass upon even in the absence of opinion evidence as to amount."

"We believe that **in this simple, and to say the least, quite informal proceeding,** an award to appellee of $250.00 for its necessary costs and attorney's fees incurred in the District Court would be fair compensation."

The defendant was fined $250.00.

For the foregoing reasons it is respectfully urged that this petition for rehearing be granted, and that the decree of the District Court of Massachusetts be, upon further consideration reversed.

Respectfully submitted,

KRENTLER-ARNOLD HINGE LAST COMPANY,
Respondent and Petitioner for Rehearing,
By OTTO BARTHEL,
Counsel for Respondent and Petitioner for Rehearing.

We hereby certify that we have read the foregoing petition for rehearing, and that in our opinion it is well founded and presents grounds whereon rehearing ought to be granted, and we further certify that it is not intended for purposes of delay, and that all matters of fact therein represented and not appearing of record are true.

OTTO BARTHEL,
Counsel for Respondent and Petitioner for Rehearing.

March 9th, 1932.

State of Michigan,
County of Wayne—ss.

Then appeared the above named Otto Barthel, and made oath that the foregoing certificate, signed by him is true, to the best of his knowledge and belief.

Anna M. Dorr,
Notary Public.

My commission expires October 8, 1932.